REMARKS

1.   Applicant thanks the Office for its remarks and observations, which have greatly assisted Applicant in responding.

2.   **CLAIM OBJECTIONS**

The ordering of the claims is objected to. More particularly, Claim 45 is objected to because it depends from Claim 2, but it appears after a new independent claim. Claim 45 is amended to depend from Claim 24. Accordingly, the present objection is deemed overcome.

3.   **35 U.S.C. § 102**

Claims 1-4, 23-26 and 51-54 are rejected as being anticipated by Random Deposit."

The Office relies on "Random Deposit" as teaching "providing an account, the account a first account type providing a first set of services, the first set of services requiring a first level of authentication . . . ." Applicant respectfully disagrees.   Applicant first notes that there is no explicit description of an "unverified account" in "Random Deposit". Even if it could be conceded that an "unverified account" is implicitly described, and Applicant makes no such concession, there is no teaching that an unverified account requires a first level of authentication.

The Office relies on the abstract of "Random Deposit" as teaching:

"presenting an accountholder a one-time challenge/response mechanism; and

if the accountholder clears the challenge, converting the account to a second account type for all time." Applicant respectfully disagrees. While the reference does describe a challenge-response mechanism—the Random Deposit technique—there is no mention whatsoever that it is a one-time challenge response mechanism.   Accordingly, there is no teaching in "Random

Deposit" of a "presenting an accountholder a one-time challenge/response mechanism . . ."

Additionally, "Random Deposit" is completely silent as to whether an account becomes a verified account (second account type) for all time. There is, therefore, no teaching in "Random Deposit" of "if the accountholder clears the challenge, converting the account to a second account type for all time."

Additionally, Claim 1 describes a challenge-response mechanism, and an authentication scheme that is distinct from the challenge-response mechanism. The Examiner relies on the Random Deposit technique as teaching both the authentication scheme and the challenge-response mechanism. However, as described in Claim 1, authentication and the challenge-response mechanism are distinct from each other. "Random Deposit" therefore does not teach each and every element of Claim. The present rejection is therefore deemed improper.

In spite of the foregoing, in deference to the Office policy of compact prosecution, Applicant amends claim 1 to incorporate a portion of Claim 2: "wherein the second type provides the first set of services plus further services associated therewith, the further services requiring at least one further level of authentication."

The Office relies on the abstract of "Random Deposit" as teaching "wherein the second type provides the first set of services plus further services associated therewith, the further services requiring at least one further level of authentication." Applicant respectfully disagrees.

There is no mention whatsoever, either in the abstract or in the remainder of the reference, of an authentication scheme wherein the user authenticates at a first level to obtain a first set of services and at a further level to obtain further services in addition to the first set of services. After the user negotiates the Random Deposit challenge, a further set of services becomes available to the user.

There is no indication, however, in "Random Deposit" that the user must negotiate a first level of authentication, and then an additional level of authentication, in addition to the first level authentication, in order to obtain

additional service. In fact, the whole of "Random Deposit" is completely free of any description or description of an authentication scheme. Because Claim 2 describes subject matter not taught or described in "Random Deposit", the present rejection of Claim 2 is deemed improper. Claim 2 is therefore allowable over "Random Deposit".

Because Claim 1, as amended, incorporates allowable subject matter from Claim 2, even if original Claim 1 had not been allowable, it is now deemed allowable over "Random Deposit".

Regarding Claims 23-24: The foregoing remarks regarding Claims 1 and 2 apply equally to Claim 23-24. Claim 23 is amended in similar fashion to claim 1, incorporating parallel subject matter from Claim 24.

Because Claims 2-22 and 24-49 depend from allowable parent claims, they are deemed to be allowable without any separate consideration of their merits.

Regarding Claim 51: Applicant notes that Claim 51 is dependent from Claim 50. Claim 50 has not been found to be anticipated by "Random Deposit". Accordingly, any finding that Claim 51 is anticipated by "Random Deposit" is necessarily improper. Claim 51 is therefore allowable under 35 U.S.C. § 102. In view of their dependence from allowable parent claims, claim 52-54 are deemed allowable under 35 U.S.C. § 102 without any separate consideration of their merits.

4.   **35 U.S.C. § 103**

Claim 50 is rejected as being unpatentable over U.S. patent application publication no. 2002/0186255 ("Shafron") in view of "Random Deposit".

The Office relies on Shafron as teaching or suggesting:

"a wallet server;

a wallet database;

a subscriber database;

wherein the wallet server is in communication with the wallet and the subscriber databases; and

a client in communication with the wallet server, wherein a wallet accountholder requests services from the wallet server . . . ."

More particularly, the Office relies on Shafron's Abstract as teaching or suggesting "a subscriber database." Applicant respectfully disagrees. What is described in Shafron's Abstract is the wallet database. There is no teaching or suggestion in Shafron of a subscriber database that is distinct from wallet database.

While the Office alleges that Shafron also teaches or suggests "wherein the wallet server is in communication with the wallet and the subscribed databases . . ., " the Office fails to point out where in Shafron a teaching or suggestion of such subject matter is found. In fact, there is none, because Shafron, as above, neither teaches nor suggests a subscriber database. "Random Deposit" adds nothing to Shafron.

The Office relies on Shafron as teaching or suggesting "wherein the server includes means for converting the electronic wallet." Applicant respectfully disagrees. While, as above, Shafron teaches that an account is validated by means of the Random Deposit mechanism, there is no teaching or suggestion that the account is converted from one account type to another. Shafron adds nothing to "Random Deposit." Accordingly, the combination fails to teach or suggest all elements of Claim 50. The present rejection is therefore deemed improper. Because the present rejection is improper, Claim 50 is deemed allowable under 35 U.S.C. § 103.

In view of their dependence from an allowable parent claim, Claims 51-80 are deemed allowable without any separate consideration of their merits. Nevertheless, Applicant provides additional comments regarding Claims 52-80 herein below. Regarding Claim 51, it was improperly rejected under 35 U.S.C. § 102. The Office has failed to make any determination regarding Claim 51 under § 103. Accordingly, even if Claim 50 were not allowable, Claim 51 is presumed to be allowable under § 103, in the absence of any allegation to the contrary.

Claims 73-75 are rejected as being unpatentable over Shafron in view of "Random Deposit" and further in view of **Official Notice**.

Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of <u>instant and unquestionable demonstration as being well-known</u>. As noted by the court in *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be "<u>capable of such instant and unquestionable demonstration as to defy dispute</u>" (citing *In re Knapp Monarch Co.*, 296 F.2d 230, 132 USPQ 6 (CCPA 1961)).

Assertions of . . . <u>specific knowledge of the prior art must always be supported by citation to some reference work</u> recognized as standard in the pertinent art. *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21. MPEP 2144.03(A), emphasis added.

If official notice is taken of a fact, unsupported by documentary evidence, the <u>technical line of reasoning underlying a decision to take such notice must be clear and unmistakable</u>. If such notice is taken, the basis for such reasoning must be set forth explicitly. The examiner must provide <u>specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge</u>. See *Soli*, 317 F.2d at 946, 37 USPQ at 801; *Chevenard*, 139 F.2d at 713, 60 USPQ at 241. 2144.03(B), emphasis added.

As above, there is no teaching in the combination of Shafron and "Random Deposit" of a subscriber database. Accordingly, there can be no teaching of "a second server, said second server operative to relay data and requests between said wallet server and said subscriber database."

Claim 74: In view of the foregoing remarks regarding claims 50 and 73, the present rejection is deemed to be improper.

As above, findings based on Official Notice must be supported with a sound technical or scientific rationale, which is lacking here. Additionally, because a subscriber database and a wallet server in communication with each other over a network are not taught or suggested by the prior art, the present finding based on Official Notice that the architecture described in Claim 73 is so

well known that is beyond dispute is particularly spurious. Applicant respectfully requests that the Office provide documentary support for its finding.

Claims 5, 14, 45, 27, 55, 36, 64, 76, 78 and 79 are rejected as being unpatentable over "Random Deposit" in view of Official Notice.

Claim 5: The Office relies on Official Notice as teaching or suggesting "one time only, prompting the accountholder to provide the information known only to the accountholder." However, the Office completely fails to provide specific factual findings predicated on sound technical and scientific reasoning, as required by the relevant legal precedent, in support of the present finding. Applicant respectfully requests that the Office either provide documentary support for the finding or, if the finding is based on facts within the Examiner's own personal knowledge, that the Examiner provide an affidavit in support of his determination.

Claim 45: The Office relies on Official Notice as teaching or suggesting "accessing said account from a client device previously established as trusted." Here, the Office merely relies on the Examiner's bald statement that such subject matter is old and well known. The sound scientific or technical rationale is completely absent. Applicant respectfully requests that the Office either provide documentary support for the finding or, if the finding is based on facts within the Examiner's own personal knowledge, that the Examiner provide an affidavit in support of his determination.

Claim 47: The Office relies on Official Notice as teaching or suggesting "reestablishing a client as trusted if a trusted state is compromised." Again, a technical or scientific rationale is completely lacking. Applicant respectfully requests that the Office either provide documentary support for the finding or, if the finding is based on facts within the Examiner's own personal knowledge, that the Examiner provide an affidavit in support of his determination.

Claim 48: The Office relies on Official Notice as teaching or suggesting "providing a visual indicator of a trusted state," alleging that visual indicators are old and well known. However, the Office makes no finding that it is old and well known to provide a visual indicator of a trusted state. Accordingly, the

combination of "Random Deposit" and Official Notice fails to teach or suggest all elements of Claim 48.

Claims 27 and 55: The above remarks regarding Claim 5 apply equally to Claims 27 and 55.

Claims 76, 79: The above remarks regarding Claims 45, 48 apply equally to Claims 27 and 55.

Claims 46 and 77 are rejected as being unpatentable over "Random Deposit" in view of Official Notice and further in view of Shafron. In view of the foregoing remarks concerning Claims 45 and 76, the present rejection is deemed improper. Additionally, the present rejection is flawed in its own right by an improper reliance on Official Notice to establish specific knowledge of the prior art.

Claims 49 and 80 are rejected as being unpatentable over "Random Deposit" in view of Official Notice and further in view of U.S. patent application publication no. 2004/0260647 ("Blinn"). In view of the foregoing remarks concerning Claims 45 and 76, the present rejection is deemed improper.

Additionally, the present rejection is flawed in its own right by an improper reliance on Official Notice to establish specific knowledge of the prior art.

Additionally, the Office relies on Blinn, ¶ 0005 as teaching or suggesting "providing a security controls panel that permits accountholders to manage authentication for various online products and sites." Applicant respectfully disagrees. Blinn describes restricting use of different types of tender: "it may be desirable for other types of accounts to be restricted in how they can be spent." No mention at all is made of authentication or managing authentication or of providing a security controls panel. Accordingly, the combination fails to teach or suggest all elements of the present claims. The rejection is therefore deemed improper.

Claims 6-11, 15-16, 28-33, 56-61, 37-38 and 65-66 are rejected as being unpatentable over "Random Deposit" in view of User Agreement. In view of the foregoing comments regarding the independent claims, the present rejection is deemed improper.

Claim 6: The Office relies on User Agreement, III(1)(i) as teaching "the first type comprising a thin wallet wherein the first set of services comprises at least one low-risk task requiring a low security level." Applicant respectfully disagrees. User Agreement describes "[Y]ou need to have a credit card or confirmed bank account with Paypal before you can send any payments." Thus, there is only one type of account, with one bundle of associated services. There is therefore no teaching or suggestion in the combination of a thin wallet, or a first set of service or low-risk tasks or low security levels.

Claim 7: In view of the foregoing regarding Claim 6, the present rejection is deemed improper.

Claim 8: The Office relies on User Agreement, III(1)(i) as teaching or suggesting "wherein the second type comprises a full wallet and the further rights comprise additional tasks requiring greater security than the low level of security." The above remarks regarding Claim 6 apply equally to Claim 8.

Claim 9: The Office relies on User Agreement, III(1)(i) as teaching or suggesting "editing the default account information;

editing account preferences;

making purchases that exceed a predetermined purchase amount; and

making purchases at sites that require the. at least one level of further authentication."

The above remarks regarding Claim 6 apply equally to Claim 9.

Claim 10: The Office relies on User Agreement, V(6)(e) as teaching or suggesting "authenticating at the first level to gain access to the first account."

Applicant respectfully disagrees. As above, User Agreement provides only one type of account, with a single level of authentication and providing a single bundle of service. The cited teaching merely describes a conventional authentication. There is no teaching or suggestion of a "first level" of authentication.

Claim 11: In view of the foregoing remarks regarding Claim 10, the present rejection is deemed improper.

Claim 15:   The Office relies on User Agreement, ¶ 3 as teaching or suggesting "wherein the step of converting the account comprises steps of:

creating a record in a wallet account database;

providing notice of a privacy policy; and

consenting to the privacy policy by the account holder."

What is being described in User Agreement is the establishment of a new account.   As above, User Agreement completely fails to contemplate different types of wallets, each having different services and security measures, or converting one wallet into the another type of wallet.   The present rejection is therefore deemed improper.

Claim 16: In view of the above remarks regarding Claim 15, the present rejection is deemed improper as well.

Claims 28-33 and 56-61: The foregoing remarks regarding Claims 6-11 apply equally to these claims.

Claims 37 and 65: The foregoing remarks regarding Claim 15 apply equally to these claims.

Claims 38 and 66: The foregoing remarks regarding Claim 16 apply equally to these claims.

Claims 12-13, 34-35 and 62-63 are rejected as being unpatentable over "Random Deposit" in view of User Agreement and further in view of Official Notice. In view of the foregoing remarks regarding the independent claims, the present rejection is deemed improper.   Applicant also respectfully requests that the Office provide documentary evidence in support of its findings based on Official Notice.

Claims 17-18, 39-40 and 67-68 are rejected as being unpatentable over "Random Deposit" in view of User Agreement and further in view of Shafron. In view of the foregoing remarks regarding the independent claims and claims 16, 38 and 66, the present rejection is deemed improper.

Claims 19-22, 41-44 and 69-72 are rejected as being unpatentable over "Random Deposit" in view of User Agreement and further in view of Shafron and Official Notice.   In view of the foregoing remarks regarding the independent

claims and claims 16, 38 and 66, the present rejection is deemed improper. Additionally, Applicant respectfully requests that the Office provide documentary support for its findings based on Official Notice.

5.   Certain of the Claims have been amended to correct typographical errors. No new matter is added by way of the foregoing amendments to the Claims. All amendments are made for the sake of expediency, in deference to the Office Policy of compact prosecution. Such amendments do not signify agreement by Applicant with the Office's positions. Nor do they reflect intent to sacrifice claim scope. In fact, Applicant expressly reserves the right to pursue patent protection of a scope that it reasonably believes it is entitled to in one or more future submissions to the Office.

6.   For the record, Applicant respectfully traverses any and all factual assertions in the file that are not supported by documentary evidence. Such include assertions based on findings of inherency, assertions based on Official Notice, and any other assertions of what is well known or commonly known in the prior art.

CONCLUSION

In view of the foregoing, the Application is deemed in allowable condition. Accordingly, Applicant respectfully requests reconsideration and prompt allowance of the claims. Should the Examiner have any questions regarding the Application, he is invited to contact Applicant's attorney, Michael Glenn at 650-474-8400.

Respectfully submitted,

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